

AMENDED IN SENATE APRIL 10, 2007

SENATE BILL

No. 879

Introduced by Senator Calderon

February 23, 2007

~~An act relating to state funds.~~ *An act to amend Section 22714 of the Education Code, relating to state teachers' retirement.*

LEGISLATIVE COUNSEL'S DIGEST

SB 879, as amended, Calderon. ~~State funds; grants; outreach activities.~~ *State teachers' retirement.*

The State Teachers' Retirement Law authorizes a school district, community college district, or county office of education to grant members of the Defined Benefit Program of the State Teachers' Retirement Plan 2 additional years of service credit if certain conditions are satisfied and the member retires for service within a designated period. Under that law, a member granted additional credit for service under these provisions forfeits that credit if he or she is reemployed within 5 years after retirement by the district from which he or she retired.

This bill would provide that a member shall not forfeit his or her additional credit for service under these provisions if he or she is reemployed within 5 years after retirement as a substitute teacher by a school district from which he or she retired.

~~Existing law provides for various grant programs funded with state funds.~~

~~This bill would express the intent of the Legislature to enact legislation to require certain outreach activities by entities distributing grants of state funds.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22714 of the Education Code is amended
2 to read:
3 22714. (a) Whenever the governing board of a school district
4 or a community college district or a county office of education,
5 by formal action, determines pursuant to Section 44929 or 87488
6 that because of impending curtailment of or changes in the manner
7 of performing services, the best interests of the district or county
8 office of education would be served by encouraging certificated
9 employees or academic employees to retire for service and that
10 the retirement will result in a net savings to the district or county
11 office of education, an additional two years of service credit shall
12 be granted under this part to a member of the Defined Benefit
13 Program if all of the following conditions exist:
14 (1) The member is credited with five or more years of service
15 credit and retires for service under Chapter 27 (commencing with
16 Section 24201) during a period of not more than 120 days or less
17 than 60 days, commencing no sooner than the effective date of the
18 formal action of the employer that shall specify the period.
19 (2) The employer transfers to the retirement fund an amount
20 determined by the Teachers' Retirement Board to equal the
21 actuarial equivalent of the difference between the allowance the
22 member receives after receipt of service credit pursuant to this
23 section and the amount the member would have received without
24 the service credit and an amount determined by the Teachers'
25 Retirement Board to equal the actuarial equivalent of the difference
26 between the purchasing power protection supplemental payment
27 the member receives after receipt of service credit pursuant to this
28 section and the amount the member would have received without
29 the service credit. The payment for purchasing power shall be
30 deposited in the Supplemental Benefit Maintenance Account
31 established by Section 22400 and shall be subject to Section 24415.
32 The transfer to the retirement fund shall be made in a manner and
33 a time period, not to exceed eight years, that is acceptable to the
34 Teachers' Retirement Board. The employer shall transfer the

1 required amount for all eligible employees who retire pursuant to
2 this section.

3 (3) The employer transmits to the retirement fund the
4 administrative costs incurred by the system in implementing this
5 section, as determined by the Teachers' Retirement Board.

6 (4) The employer has considered the availability of teachers or
7 academic employees to fill the positions that would be vacated
8 pursuant to this section.

9 (b) (1) The school district shall demonstrate and certify to the
10 county superintendent that the formal action taken would result in
11 a net savings to the district.

12 (2) The county superintendent shall certify to the Teachers'
13 Retirement Board that the result specified in paragraph (1) can be
14 demonstrated. The certification shall include, but *is not* ~~be~~ limited
15 to, the information specified in subdivision (c) of Section 14502.1.

16 (3) The school district shall reimburse the county superintendent
17 for all costs to the county superintendent that result from the
18 certification.

19 (c) (1) The county office of education shall demonstrate and
20 certify to the Superintendent of Public Instruction that the formal
21 action taken would result in a net savings to the county office of
22 education.

23 (2) The Superintendent of Public Instruction shall certify to the
24 Teachers' Retirement Board that the result specified in paragraph
25 (1) can be demonstrated. The certification shall include, but *is not*
26 ~~be~~ limited to, the information specified in subdivision (c) of Section
27 14502.1.

28 (3) The Superintendent of Public Instruction may request
29 reimbursement from the county office of education for all
30 administrative costs that result from the certification.

31 (d) (1) The community college district shall demonstrate and
32 certify to the chancellor's office that the formal action taken would
33 result in a net savings to the district.

34 (2) The chancellor shall certify to the Teachers' Retirement
35 Board that the result specified in paragraph (1) can be
36 demonstrated. The certification shall include, but *is not* ~~be~~ limited
37 to, the information specified in subdivision (c) of Section 84040.5.

38 (3) The chancellor may request reimbursement from the
39 community college district for all administrative costs that result
40 from the certification.

1 (e) The opportunity to be granted service credit pursuant to this
2 section shall be available to all members employed by the school
3 district, community college district, or county office of education
4 who meet the conditions set forth in this section.

5 (f) The amount of service credit shall be two years.

6 (g) ~~Any~~ A member of the Defined Benefit Program who retires
7 under this part for service under Chapter 27 (commencing with
8 Section 24201) with service credit granted under this section and
9 who subsequently reinstates shall forfeit the service credit granted
10 under this section.

11 (h) ~~Any~~ (1) *Except as described in paragraph (2), a member*
12 *of the Defined Benefit Program who retires under this part for*
13 *service under Chapter 27 (commencing with Section 24201) with*
14 *service credit granted under this section and who takes any job*
15 *with the school district, community college district, or county*
16 *office of education that granted the member the service credit less*
17 *than five years after receiving the credit shall forfeit the ongoing*
18 *benefit he or she receives from the additional service credit granted*
19 *under this section.*

20 (2) *This subdivision shall not apply to a member described in*
21 *paragraph (1) who takes a job with the school district as a*
22 *substitute teacher.*

23 (i) This section does not apply to ~~any~~ a member otherwise
24 eligible if the member receives any unemployment insurance
25 payments arising out of employment with an employer subject to
26 this part during a period extending one year beyond the effective
27 date of the formal action, or if the member is not otherwise eligible
28 to retire for service.

29 ~~SECTION 1. It is the intent of the Legislature to enact~~
30 ~~legislation requiring certain outreach activities by entities~~
31 ~~distributing grants of state funds.~~